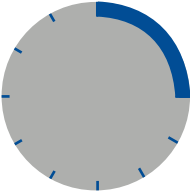


INTERIM REPORT



1st Quarter

January 1 – March 31, 2005

ISIN: DE0007449001



technotrans

technology and services

Our core skill is liquid technology. Within this niche segment, we concentrate on applications for the printing industry and the micro technologies sector. With over 650 employees worldwide, we generated revenue of € 117 million in the past financial year.

As a systems supplier within the Print segment, technotrans' equipment is fitted ex works to most models of printing press from all major manufacturers worldwide. "More technotrans per printing press" is the basic principle behind its successful growth strategy. The product range has consequently been steadily expanded over the years, always with the objective of securing a share in excess of 50% of the world market for each product. This approach has ensured that the company has fared better than the industry in general, in both good times and bad.

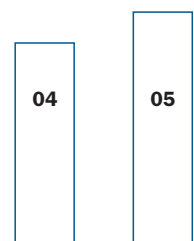
The Micro Technologies segment targets two markets. technotrans electroforming systems for the manufacture of CDs and DVDs are already the world market leaders by some distance. We also aim to achieve this position for equipment used in the manufacture of microstructures – a market with highly promising prospects.

Services that complement the two technology segments complete our portfolio and create new potential.

REVENUE

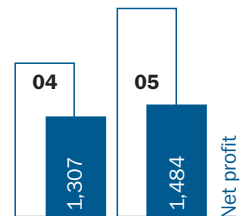
 1. 1. – 31. 3.
(in €'000)

26,675 30,758


OPERATING RESULT

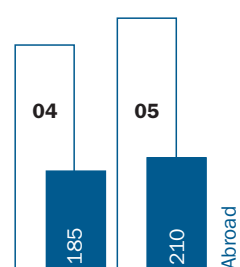
 1. 1. – 31. 3.
(in €'000)

2,049 2,773


EMPLOYEES

 March 31st

606 680



technotrans Group

Key data acc. to IFRS

Earnings

	€'000
Revenue	30,758
Print	22,325
MicroTech	1,239
Services	7,194
Gross profit	9,811
EBITDA ³	3,526
EBITA ²	2,741
Operating profit	2,773
Earnings before interest and tax (EBIT) ¹	2,741
Net profit for the period	1,484
as % of revenue	4.8
Net profit per share (IFRS)	€ 0.22

Balance sheet

	€'000
Issued capital	6,600
Equity	42,644
Equity ratio	50.0
Return on equity	4.0
Balance sheet total	85,671
Working capital	28,920

Employees

	€'000
Number of employees (average)	670
Personnel expenses	8,346
as % of revenue	27.0
Revenue per employee	€'000 46

Cash flow

	€'000
Cash flow ⁴	-79
Free cash flow ⁵	-2,860

Share

Number of shares at end of period	6,600,000
Share price (max)	€ 17.15
Share price (min)	€ 13.21

	1. 1. – 31. 3. 05	1. 1. – 31. 3. 04	2004	2003
Revenue	30,758	26,675	117,259	106,737
Print	22,325	19,247	81,418	70,631
MicroTech	1,239	729	8,127	10,774
Services	7,194	6,699	27,714	25,332
Gross profit	9,811	9,459	39,765	35,929
EBITDA ³	3,526	2,909	14,942	12,685
EBITA ²	2,741	2,133	11,805	9,084
Operating profit	2,773	2,049	11,251	7,522
Earnings before interest and tax (EBIT) ¹	2,741	1,981	11,214	7,377
Net profit for the period	1,484	1,307	6,758	-10,960
as % of revenue	4.8	4.9	5.8	-10.3
Net profit per share (IFRS)	€ 0.22	0.20	1.02	-1.66
Issued capital	6,600	6,600	6,600	6,600
Equity	42,644	37,904	40,674	36,288
Equity ratio	50.0	48.9	53.5	50.1
Return on equity	4.0	3.5	14.3	-30.2
Balance sheet total	85,671	77,555	76,086	72,391
Working capital	28,920	26,242	26,861	24,318
Number of employees (average)	670	599	628	593
Personnel expenses	8,346	7,629	32,201	29,275
as % of revenue	27.0	28.6	27.5	27.4
Revenue per employee	€'000 46	45	187	180
Cash flow ⁴	-79	2,380	11,595	6,491
Free cash flow ⁵	-2,860	2,022	9,364	5,394
Number of shares at end of period	6,600,000	6,600,000	6,600,000	6,600,000
Share price (max)	€ 17.15	15.22	14.69	12.64
Share price (min)	€ 13.21	10.83	9.90	3.81

Dear shareholders,

The start of the new financial year proceeded entirely according to plan: with revenue up 15 percent on the corresponding prior-year quarter, we succeeded in carrying the positive momentum of the past year into the first three months of 2005. Earnings, too, are healthy; the operating margin, for instance, has already reached 9 percent.

The recent rise in the technotrans share price is a reflection of this successful progress. It also owes much to last year's healthy earnings figure and to the very promising prospects for the future. Both topics will be up for discussion at this year's Shareholders' Meeting on May 13, 2005 in Münster, when the shareholders will also be asked to vote on the dividend proposal of € 0.45 per share – an increase of 50 percent on the previous year.

As last year, you will once again have the opportunity to glean information at first hand during the Shareholders' Meeting even if you are unable to attend in person. The event will again be broadcast on our website. The new product area of Cleaning Systems and the associated capacity extensions in Augsburg, as well as our international structure, focusing in particular on the important Chinese market, will be among the main topics for debate. It will be well worth listening in.

We look forward to your joining us, whether in person or via the Internet.

¹ EBIT = Operating profit + foreign currency gains/losses
² EBITA = EBIT + amortisation of goodwill
³ EBITDA = EBIT + amortisation of goodwill + depreciation of property, plant and equipment and intangible assets
⁴ Cash flow = Net cash from operating activities acc. to Cash flow Statement
⁵ Free Cash flow = Net cash from operating activities + net cash used for investments acc. to Cash flow Statement

The first quarter from January to March

Revenue growth according to schedule

The technotrans Group posted revenue of € 30.8 million in the first quarter of 2005, representing an increase of 15.3 percent on the revenue figure for the first quarter of last year (€ 26.7 million).

All segments contributed towards this positive development, in particular the largest segment Print, which enjoyed an upswing in revenue of 16 percent. The new financial year consequently got off to a flying start.

Positive effects on profitability

Gross profit was likewise up, though by only 3.7 percent. This reflected the higher costs of conversion, in particular in respect of materials. This influence, which is also attributable to a less favourable product mix, should decrease as the year progresses.

Thanks to an optimised costs structure but also to the move away from goodwill amortisation according to IFRS, we succeeded in boosting the operating result by a disproportionately high 35.3 percent to € 2.8 million (previous year € 2.0 million). The operating margin consequently reached an outstanding 9 percent as soon as the first quarter.

As expected, the tax ratio for the group of almost 48 percent was distinctly high. As in 2004, the positive influence of foreign subsidiaries should help to change this as the year progresses.

In the first three months, technotrans posted a net profit for the period of € 1.5 million (previous year € 1.3 million). The rise in earnings of 13.5 percent therefore almost matched the increase in revenue.

Earnings per share for the first quarter of 2005 amount to € 0.22 (previous year: € 0.20).

Print: dynamic growth

The positive development of the Print segment gained further momentum in the first quarter of 2005. Revenue was up 16 percent in the first three months, to € 22.3 million (previous year: € 19.2 million) and is therefore at the upper end of the target range. The Print segment contributed more than 72 percent of consolidated revenue in the first quarter of 2005.

The result for the segment was € 1.8 million, representing a 41 percent rise on the prior-year period (€ 1.3 million). The rate of return for the segment rose to 8.1 percent and is consequently higher than the level for both the prior quarter (6.7 percent) and the entire prior year (7.9 percent). The further rises in revenue planned and an advantageous product mix should help to maintain this welcome development throughout the year in progress.

Segmental reporting

		Q1 2005	Q2 2004	Q3 2004	Q4 2004
		€'000	€'000	€'000	€'000
Print	revenue	22,325	19,358	20,469	22,344
	result	1,813	1,421	1,954	1,810
MicroTech	revenue	1,239	2,609	2,605	2,184
	result	-255	-55	-85	-359
Services	revenue	7,194	6,145	7,040	7,830
	result	1,156	1,053	1,469	1,769
Other	result	59	219	77	-71
Revenue per quarter		30,758	28,112	30,114	32,358
Result per quarter		2,773	2,638	3,415	3,149

Micro Technologies: better than previous year

Compared with the slack first quarter of the previous year, revenue for the Micro Technologies segment improved to € 1.2 million in the first three months of 2005 (previous year: € 729 thousand). This level is nevertheless below the average for several past quarters. It reflects in particular a lingering reluctance to invest within the CD/DVD sector, while the revenue contribution of the microstructure technology area remains low.

As expected, the segment was still unable to report a positive result at this level, though the figure of € -255 thousand represented an improvement on the prior-year quarter, when a loss of € -521 was posted. Appropriate measures to improve profitability have been launched and should help to avoid a loss for the year as a whole.

Services: growth at a high level

The positive development in the Services segment continued at the start of 2005. Revenue rose by 7.4 percent compared with the first quarter of the previous year, to € 7.2 million (previous year € 6.7 million). This segment consequently continued to generate over 23 percent of consolidated revenue.

Earnings were unable to keep pace with this growth. The result for the segment of € 1.2 million was slightly down (-6 percent) on the first quarter of 2004. This is attributable in the first instance to the more intensive level of service support that was required, as expected, for the new products launched in the course of the past year. The development of Technical Documentation has moreover received a major boost through a marketing campaign, which is likewise temporarily diminishing the rate of return for the Services segment. It is nevertheless still a satisfying 16.1 percent and is likely to improve further in the course of the year.

Financial position

Changes to current assets affected the otherwise positive development in cash flow in the first quarter. The rise in inventories resulted in an operative cash flow of only € -79 thousand at the reporting date. In particular following the purchase of the plot of land for our Augsburg location, the free cash flow three months into the year is € -2.8 million (previous year: € -358 thousand). We opted for long-term financing of this investment in view of the favourable terms available. Total cash of € 11.5 million after the first three months of 2005 was a good 5 percent up on the prior-year figure (€ 10.9 million).

The balance sheet total rose from € 76.0 million to € 85.7 million since the end of 2004. On the assets side, as so often in the first quarter this rise was attributable first and foremost to higher receivables at the reporting date (increase of € 4.6 million) and the buildup in inventories (+ 15.3 percent) in line with the expansion of business. Property, plant and equipment rose by just under € 2.2 million, among other things as a result of the purchase of land for the extended Augsburg location.

Key changes on the equity and liabilities side concerned a corresponding rise in liabilities (€ +3.9 million), advances received (€ +1.8 million) and non-current financial liabilities (€ +2.4 million).

Research and Development

Research and development spending fell slightly from € 910 thousand in the prior-year quarter to € 785 thousand. This puts the current R&D ratio as a proportion of revenue at 2.6 percent. As R&D at technotrans on the one hand is driven by the four-year cycle of the DRUPA (this exhibition last took place in May 2004) and on the other hand represents an ongoing process that depends only to a minor degree on projects, in absolute terms this level of spending is within the target range. Current activities are focused on the market launch of a blanket cleaner that is scheduled for the second half of the year, through which technotrans aims to tap into the considerable additional potential for revenue in the Print segment.

Events of particular significance and major changes to risks

There were no events of particular significance to report, including after the quarter under review.

Compared with the risks described in the 2004 Annual Report, there have been no major changes since the start of the financial year.

Personnel

On March 31, 2005 the technotrans Group employed 680 persons (previous year: 606), comprising 470 (421) in Germany and 210 (185) abroad. The average employee total for the first quarter rose in line with the expansion of business from 599 in 2004 to 670 in 2005, a gain of 71 jobs or 11.9 percent.

Personnel expenditure rose in absolute terms by 9.4 percent, from € 7.6 million in the first quarter of 2004 to € 8.3 million in the first three months of 2005. Relative to revenue, the personnel expenditure ratio of 27.1 percent in the first quarter remained below the prior-year figure (28.6 percent). Revenue per employee again rose slightly from € 45 thousand to € 46 thousand.

Shares

After closing 2004 at a price of € 13 (Xetra), technotrans shares remained at around this level for the first few weeks of the new year. A marked recovery did not set in until publication of the figures for the past financial year of 2004 on March 8; this led to peak prices of more than € 17 with the trading volume relatively high. Investors are increasingly acknowledging the value represented by a positive development in profitability, and the decision to tap new market segments fuels the prospects for growth, adding to the shares' appeal. Both aspects are reflected by the capital market's greater interest in investor events and demand for roadshows.

Directors' holdings

	Shares	Options
Heinz Harling	61,704	4,200
Burkard Rausch	0	0
John. A. Stacey	30,300	4,200
Ralph Teunissen	10,000	3,750
Joachim Simmroß	10,000	0
Joachim Voss	0	0
Konrad Ellegast	700	0
Dr. Bertold Gaede	1,791	0
Andreas Harig	61,704	2,400
Hubert Oberscheidt	61,704	2,400

People

The Supervisory Board appointed Burkard Rausch (48) as the new Finance Director of technotrans AG with effect from April 1, 2005. He previously held an identical post at Stromag AG, Unna. As announced, Wolfgang Breme left the company on March 8, 2005.

Outlook – the 2005 financial year

The leading printing press manufacturers worldwide routinely equip many of their models ex works with technotrans peripheral equipment. The general state of the printing industry is consequently of prime significance for the core business of technotrans as a systems supplier.

The positive trend that has been reflected by our figures for around the past 18 months is also increasingly showing through in the reports being published by various printing press manufacturers. They indicate an improvement in the level of orders and rising revenues (up to +15 percent) and earnings (up to +90 percent) as a result.

As technotrans currently generates more than 70 percent of its revenues in the Print segment, this welcome development has again been reflected by the figures being reported here. As matters stand, we expect this positive trend to hold up. This would already provide a sound basis on which to achieve the targets for 2005 (revenue of € 120 to 125 million and a net profit for the year of € 7 to 7.5 million).

The divisions

The new financial year got off to a flying start. In parallel with our operative business, we are moreover making preparations to enter a new dimension with technotrans. Based on our long-standing successful strategy of "More technotrans per printing press", we are currently developing a blanket cleaner with which we now aim to tap into the market for cleaning systems as well. Developments are progressing according to schedule and the next step is test the product in practice. Our new product needs to prove its worth in everyday operating conditions at the customer. Assuming this phase is completed successfully, we will start volume production in the second half of 2005.

The investment spending in this new product area, the still intensively competitive nature of the market environment, various price rises for materials and higher personnel costs will as expected have to be offset against a marked rise in the profitability of the **Print segment**. We are nevertheless confident that the start of volume production, the higher revenue targets and other operative measures will help to more than compensate for the negative factors listed above. In this respect, too, the first quarter proved highly promising and we expect that this positive development will remain on track throughout the year, among other reasons thanks to the rising profit contributions of our American subsidiary.

At the present time it is too early to make a reliable forecast on the business progress of the **Micro Technologies segment** in the longer term, as the gap between orders being placed and systems being delivered has narrowed. Both positive and negative trends compared with the budgeted figures are consequently possible, reflecting the high volatility of markets specifically in the field of optical storage media, which continues to account for the lion's share of revenues in this small segment. Nor do the latest figures released by other participants in this market build up our hopes of any impending improvement in the situation.

While we are making a concerted effort to exploit every opportunity that presents itself in this segment, we are equally doing everything in our power to take all appropriate measures to improve the earnings situation in this case. Our objective remains to avoid having to post a year-end loss in this segment. As matters stand, this objective is attainable.

Business has made healthy progress in the **Services segment** and it is to be expected that this development will continue into next year, as planned.

The development in earnings, too, is in line with our plans. In view of the temporary financial burden imposed by the more intensive level of support required for new products that we have brought onto the market, in conjunction with higher marketing expenditure for Technical Documentation, the margin has briefly been diminished. However, this does not alter the fact that the segment enjoys a high level of profitability in relation to the overall result.

In summary, we can conclude that the good figures for the first quarter place technotrans squarely in line to achieve its targets for the year as a whole, and therefore make us confident that we will achieve the objectives mentioned at the outset.

Consolidated Balance Sheet

	2005/03/31	2004/12/31
	€'000	€'000
ASSETS		
Current assets		
Cash	11,511	12,613
Trade receivables	20,105	15,554
Inventories	25,009	21,690
Income tax rebates	11	88
Prepaid expenses and other current receivables	2,243	1,585
	58,879	51,530
Non-current assets		
Property, plant and equipment	18,791	16,609
Intangible assets	2,285	2,366
Goodwill	3,824	3,722
Deferred tax	1,177	1,096
Other non-current assets	715	763
	26,792	24,556
Total assets	85,671	76,086
EQUITY AND LIABILITIES		
Current liabilities		
Current financial liabilities and current portion of non-current financial liabilities	5,036	5,540
Trade payables	6,628	2,703
Advances received	4,235	2,424
Provisions	10,651	10,559
Income tax payable	641	1,583
Other current liabilities	2,768	1,860
	29,959	24,669
Non-current liabilities		
Non-current financial liabilities	11,386	9,022
Deferred tax	1,186	1,174
Provisions for pensions	173	173
Other non-current liabilities	323	374
	13,068	10,743
Equity		
Issued capital	6,600	6,600
Capital reserve	36,397	36,397
Other reserves	-763	-968
Exchange differences	-6,490	-7,493
Accumulated profit	6,900	6,138
	42,644	40,674
Total equity and liabilities	85,671	76,086

Consolidated Income Statement

	2005/03/31	2004/03/31
	€'000	€'000
Revenues	30,758	26,675
Print	22,325	19,247
MicroTech	1,239	729
Services	7,194	6,699
Cost of sales	-20,947	-17,216
Gross profit	9,811	9,459
Distribution costs	-3,626	-3,396
Administrative costs	-2,870	-2,789
Research and development costs	-785	-910
Other operating income and expenses	243	-164
Amortisation of goodwill	0	-151
Operating profit	2,773	2,049
Interest income/expense	-176	-236
Foreign currency gains/losses	-32	-68
Accounting profit	2,565	1,745
Income tax expense	-1,229	-545
Deferred tax	148	107
Net profit	1,484	1,307
Net profit per share (basic)	0.22	0.20
Net profit per share (diluted)	0.22	0.20
Weighted average shares outstanding (basic)	6,600,000	6,600,000
Weighted average shares outstanding (diluted)	6,600,000	6,600,000

Cash flow Statement

	2005/03/31	2004/03/31
	€'000	€'000
Cash flow from operating activities		
Net profit	1,484	1,307
Adjustments for:		
Depreciation	785	927
Deferred tax income (-)/expense (+)	-148	-107
Profit (-)/loss (+) on the disposal of property, plant and equipment	-13	-1
Foreign exchange losses (+)/gains (-)	32	68
Cash flow from operating activities before working capital changes	2,140	2,194
Change in receivables	-4,574	-1,329
Change in inventories	-3,291	-1,694
Change in other non-current assets	26	54
Change in liabilities	5,576	3,532
Change in provisions	45	-377
Net cash from operating activities	-79	2,380
Cash flow from investing activities		
Acquisition of intangible assets and of property, plant and equipment	-2,810	-372
Proceeds from the sale of property, plant and equipment	29	14
Net cash used for investments	-2,781	-358
Cash flow from financing activities		
Cash receipts from the raising of short-term and long-term loans	2,500	40
Cash payments from the repayments of loans	-816	-117
Distribution to investors	0	0
Net cash used in financing activities	1,684	-77
Change in cash from exchange rate movements	73	211
Increase in cash	-1,103	2,156
Cash at start of period	12,613	8,769
Cash at end of period	11,511	10,925

Statement of Movements in Equity

(In €'000)

	Issued capital	Capital reserve	Other reserves	Exchange differences	Accumulated profit	Group equity
January 1, 2004	6.600	36.412	-918	-5.808	2	36.288
Financial instruments: valuation gain nettted directly within equity	0	0	-41	0	0	-41
Financing of investment: exchange rate losses netted directly within equity	0	0	60	0	0	60
Exchange rate differences	0	0	0	276	7	283
Net expense from items netted directly within equity	0	0	19	276	7	302
Net profit for the period	0	0	0	0	1.307	1.307
Overall result for the period	0	0	19	276	1.314	1.609
Distribution of profit	0	0	0	0	0	0
Other	0	7	0	0	0	7
March 31, 2004	6.600	36.419	-899	-5.532	1.316	37.904

January 1, 2005	6.600	36.397	-968	-7.493	6.138	40.674
Financial instruments: valuation gain nettted directly within equity	0	0	53	0	0	53
Financing of investment: exchange rate losses netted directly within equity	0	0	152	0	0	152
Exchange rate differences	0	0	0	1.003	-721	282
Net expense from items netted directly within equity	0	0	205	1.003	-721	487
Net profit for the period	0	0	0	0	1.483	1.483
Overall result for the period	0	0	205	1.003	762	1.970
Distribution of profit	0	0	0	0	0	0
Other	0	0	0	0	0	0
March 31, 2005	6.600	36.397	-763	-6.490	6.900	42.644

Explanation:

This interim report has been produced in accordance with the International Financial Reporting Standards (IFRS), in particular IAS 34 for interim reporting, and the Annex to the rules and regulations of the Frankfurt Stock Exchange, Section 63, Paragraph 6. In a departure from the classification recommendations of Deutsche Börse but in accordance with IAS 12.70, deferred tax is allocated exclusively to non-current items.

The designations of certain items have been brought in line with IFRS. Items with a total of zero are not shown where no figures are expected in the longer term on the basis of technotrans' business purpose.

This quarterly report has not been subjected to any auditing or audit examination.

Note: Any forward-looking statements contained in this report represent our best judgment as to what will occur in the future. The Company's actual results could differ materially from those forecasted, depending on a number of competitive and economic factors, some of which are and will be outside the control of the Company.

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technotrans financial calendar

Publications and dates

Annual Shareholders' Meeting	2005/05/13
Interim Report 1- 6/2005	2005/08/09
Interim Report 1-9/2005	2005/11/08
Annual Report 2005	2006/03/08

For the latest version of this financial calendar and the individual reports, visit us on the Internet at www.technotrans.com

technotrans AG

Robert-Linnemann-Str. 17
48336 Sassenberg
Germany

Phone +49(0) 25 83/301-0
Fax +49(0) 25 83/301-30
e-Mail info@technotrans.com
Internet www.technotrans.com

Hotline +49(0) 25 83/301-890